

Results for 12 months to December 31, 2015



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2015 highlights Mixed performance in line with expectations

- Mixed performance across our portfolio showed the value of diversification
 - Market beating performance from financial services and surveying
 - Encouraging progress in commercial
 - Consolidation in Lettings with investment in acquisitions and core platform
 - Challenging performance in estate agency as pace of change created some disruption
 - Resilient performance in London
- Residential market more challenging than anticipated at start of 2015
 - No post-election bounce-back
 - Stamp duty changes
- Foundations for future resilience and growth
 - New management and divisional structure
 - Clear strategic vision communicated to the business
 - Proactive action taken on cost while protecting key investments
 - ...the start of a plan that makes us less dependent on the residential transaction cycle



2015 highlights Organised for Success

- · Four Business Units established focused around the customer
 - Retail bringing our sales and lettings businesses together
 - London recognising distinct characteristics of the London market
 - Financial Services distinct mortgage, insurance and protection business
 - B2B comprises surveying, conveyancing, commercial and a unified land & new homes team
- Executive team balance of proven industry and cross sector experience
- Change agenda driven faster than expected with all projects in the Business Units now
- Focus on people, risk management and execution
- Creating industry-leading capability in research and analytics
- Utilise insight to drive new propositions and services including digital



Introduction – Alison Platt **Financial & Operational Update – Jim Clarke** Market Overview – Alison Platt Strategy and summary – Alison Platt



Group Summary Financials

	2015 £m	2014 £m	
Income	733.7	702.2	+4%
EBITDA	113.0	121.1	-7%
Depreciation \ Amortisation \ JV	(21.1)	(13.4)	
Operating Profit	91.9	107.7	-15%
Finance Costs	(6.1)	(5.3)	
PBT	85.8	102.4	-16%
Тах	(15.1)	(21.7)	
РАТ	70.7	80.7	
Adjusted EPS	32.2p	36.7p	-12%
Total Ordinary Dividend	15.0p	15.0p	



EBITDA New Business Unit Summary

	2015 Income	EBITDA	2014 Income	EBITDA	2013 Income	EBITDA
Retail	254.5	43.3	265.7	58.6	231.7	37.5
London	178.0	34.2	172.6	37.1	166.0	35.5
FS	81.0	20.7	76.4	18.6	67.7	14.2
B2B	219.1	32.3	182.3	21.4	116.6	13.4
Central	1.1	(17.5)	5.2	(14.6)	2.8	(14.0)
	733.7	113.0	702.2	121.1	584.8	86.6



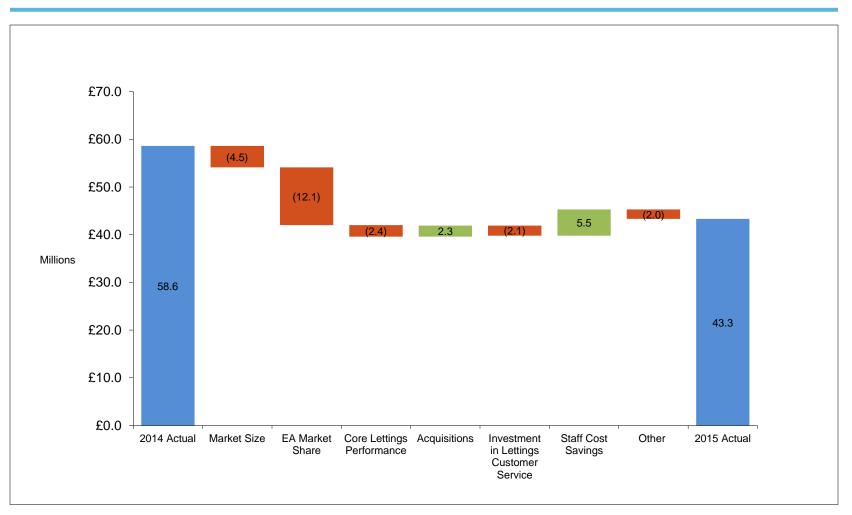
Retail Single operating structure for core sales and lettings business

	2015 £m		2014 £m
Income	254.5	-4%	265.7
EBITDA	43.3	-26%	58.6
EBITDA margin	17.0%		22.1%

- Estate agency underperformed in a poor market:
 - some loss of market share to traditional competitors
 - cash fee held steady
- Lettings performance impacted by:
 - landlord attrition
 - longer tenancies
 - some fee pressure
 - investment in core service, offering to stem landlord attrition
- Strong pipe-line going into 2016 with heightened focus on momentum and long term value creation



Retail EBITDA Bridge 2014-2015





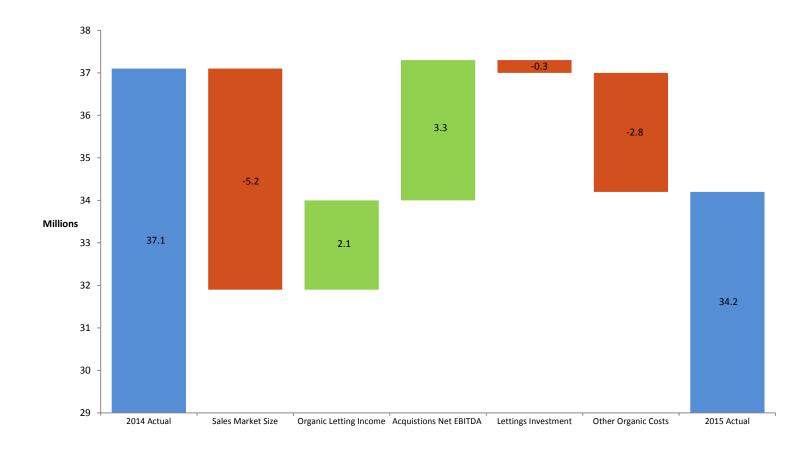
London Expanded with enhanced footprint and price segment coverage

	2015 £m		2014 £m
Income	178.0	+3%	172.6
EBITDA	34.2	-8%	37.1
EBITDA margin	19.2%		21.5%

- Robust performance across four distinct segments across 250+ branches:
 - Bairstow Eves & Mann
 - Mid market and growth
 - Premier & City
 - Hamptons International
- Resilient performance vs London market which fell 11% YOY (Land Registry) most acutely in the £2m+ market, where it fell 26% YOY
- Lettings revenue up 13%
- Fees remained broadly stable
- High net worth lettings segment remains strong
- Strong sales pipeline going into 2016 with an encouraging start from acquisitions



London EBITDA Bridge 2014-2015





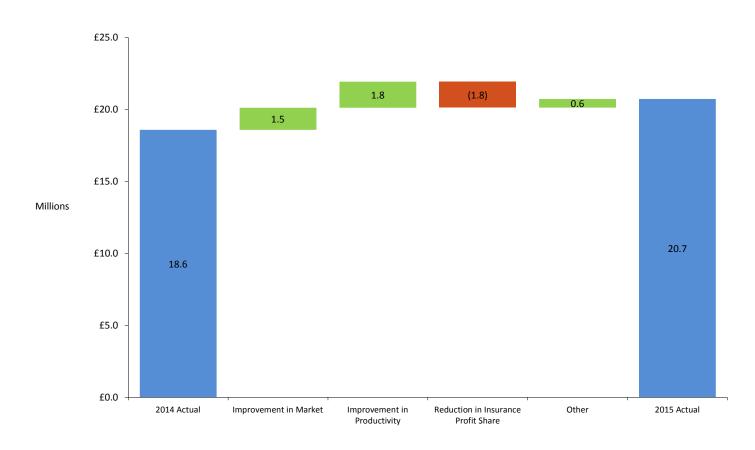
Financial Services Strong profit growth on market outperformance

	2015 £m		2014 £m
Income	81.0	+6%	76.4
EBITDA	20.7	+11%	18.6
EBITDA margin	25.6%		24.3%

- Value and volume growth across all product lines as shift to broked model continues
 - Value up 18%
 - Volume up 8%
- Mortgage Intelligence (broker network business) achieved 30% growth in the value of written mortgages.
- New IT platform in process of roll-out (completed Q2 2016)
- Focus for 2016 remortgage, London, productivity and M&A



FS Division EBITDA Bridge 2014-2015





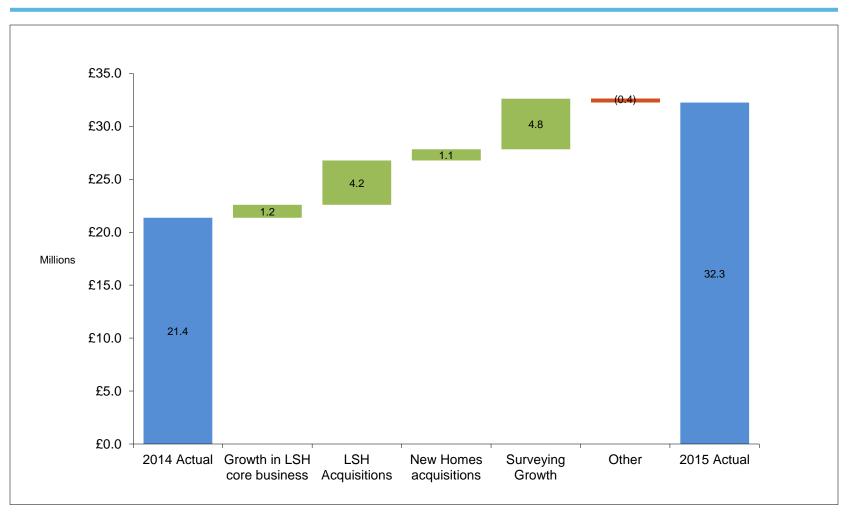
Business to Business Step change in underlying financial performance

	2015 £m		2014 £m
Income	219.1	+20%	182.3
EBITDA	32.3	+51%	21.4
EBITDA margin	14.7%		11.7%

- Professional Services
 - grown both surveying market share and profitability
- Commercial (Lambert Smith Hampton)
 - over £100m of revenue delivered
 - EBITDA up over 60% YOY
- Countrywide Residential Development
 Solutions
 - Land and New Homes operations now combined
- 2016 growth in B2B resilient
 - contracts: HSBC (3 year renewal)
 Nationwide (18 month extension)
 - strong pipeline in commercial
 - expansion focus with early momentum in countrywide residential development solutions



B2B EBITDA Bridge 2014-2015





Exceptional / Non trading items

	2015 (£m)	2014 (£m)
Amortisation of intangibles	(11.2)	(10.1)
Share based payments	(4.4)	(14.5)
Zoopla deferred income	2.5	2.5
Acquisition related costs and contingent consideration	(10.0)	-
Strategic and restructuring costs	(14.2)	-
Regulated settlement costs	(0.8)	-
Profit on disposal of Zoopla shares	_	14.6
PI exceptional provision	_	(15.2)
	(38.1)	(22.7)



Continued diversification

		£m
Lettings EBITDA	- Retail - London	26.4 12.7
		39.1
Commercial	_ LSH _ B2B	13.8 2.4
		55.3

42% of Group EBITDA (pre central costs)



Cash flow reconciliation

	2015 (£m)	2014 (£m)
Cash from operations	90.2	100.4
Working capital	(16.8)	(14.4)
Provisions outflow	(10.8)	(14.4)
Interest	(5.2)	(5.0)
Тах	(13.7)	(15.5)
Dividends	(33.4)	(44.4)
Share buy-back	(7.8)	(14.3)
Сарех	(22.0)	(23.4)
Acquisitions	(62.9)	(41.0)
Disposals	4.3	23.6
Other	(3.7)	(6.3)
Movement in net debt	£(81.8)m	£(54.7)m



Capital structure and leverage

	FY 2015	HY 2015	
Net debt ⁽¹⁾	£184.9m	£179.9m	£103.1m
Leverage (multiple)	1.6	1.5	0.9
Interest cover (times)	15x	11x	20x

New £340m facility in place (2020 maturity)

Increased flexibility on drawdown for M&A investment

Normalised target leverage remains $1 - 2 \times EBITDA$

⁽¹⁾ Including finance leases (£10.1m)



Financial Summary

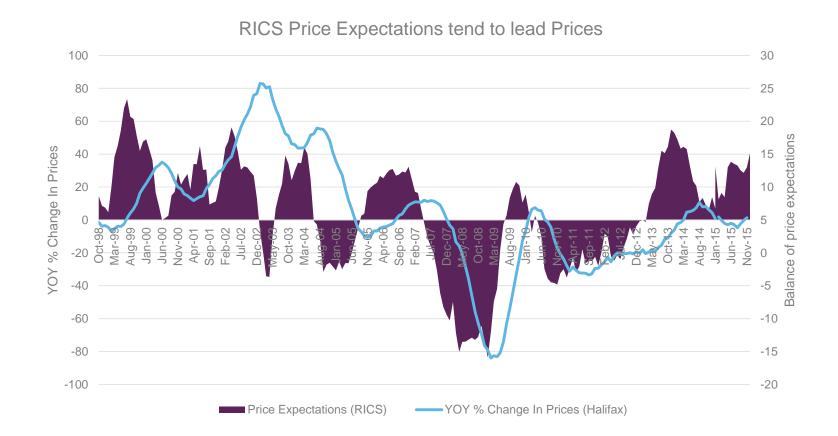
- Mixed financial performance across Group
 - Strong profit growth in B2B and Financial Services
 - Challenging year in Retail, Estate Agency and Lettings
 - London resilient despite weak market
- 36 acquisitions all fully in line with strategy target and hurdles
- Strong financial position
 - provides flexibility on leverage/timing of investment
- Maintained ordinary dividend
- Sale of Zoopla shares in February 2016 proceeds £19m to be returned to shareholders by way of a share buy back programme
- Potential for further shareholder returns from 2017
- No change to current outlook for 2016



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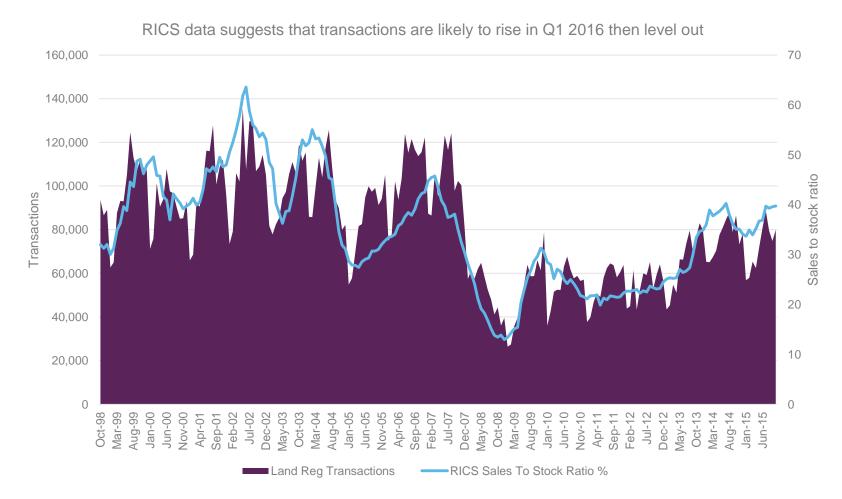


Market Overview UK housing market outlook: prices



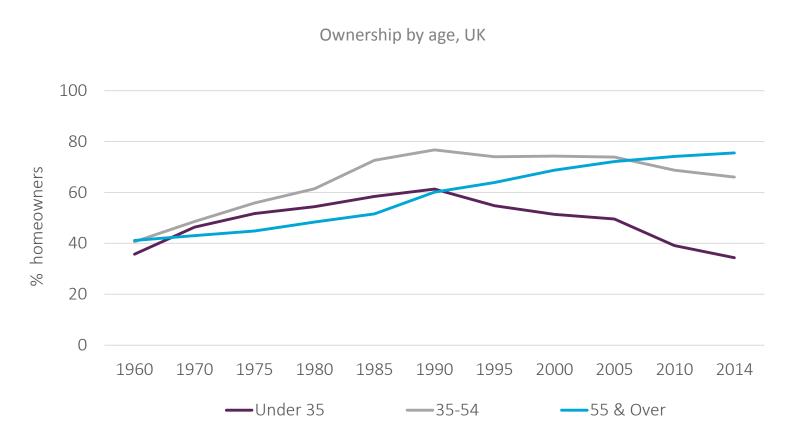


Market Overview UK housing market outlook: transactions





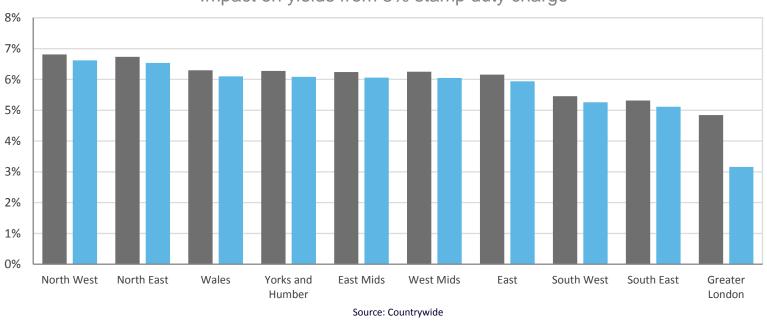
Market Overview Lettings: evidence of significant demand



Source: Family Resources Survey & Countrywide Research



Market Overview BTL: Limited impact on yields from stamp duty change



Impact on yields from 3% stamp duty charge

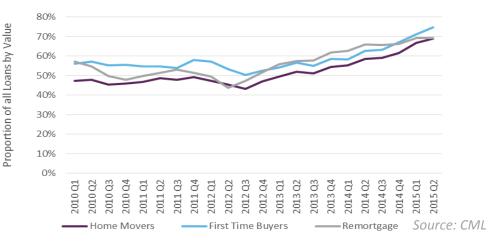
■ Old stamp duty

New stamp duty

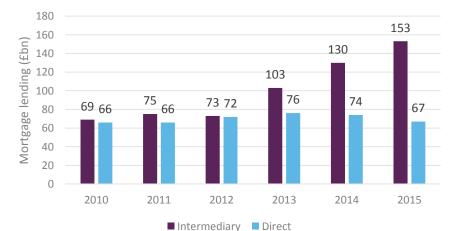


Market Overview Financial Services: Broked versus Direct continues to grow

- Steady growth in intermediaries' share of the market since 2012 – set to continue
- Driven partly by changes to regulation
- All growth in the mortgage market via intermediary channel
- Intermediary also strong in buy-tolet and New Build



New Mortgages Sold via Intermediaries



Intermediary vs Direct Lending

Market Overview Summary

- Housing transaction market in 2016 encouraging start but impact of tax changes coupled with EU referendum will create continuing uncertainty
- Long term lettings market will continue to grow and fundamental drivers of demand are unchanged despite introduction of higher stamp duty, BTL yields remain robust.
- Shift to intermediary in the mortgage market will continue
- Increased focus from government and industry on getting new homes built should increase the size of the new homes market – debate around scale



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Strategy Building our future

Our transformation: better to be bigger

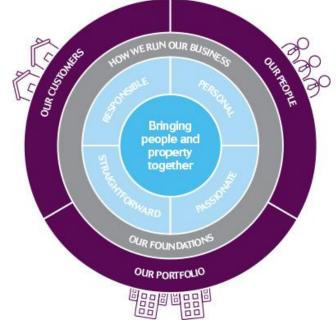
Align our **portfolio** to growth

Deliver a better, more personalised **customer** experience

Create an environment for great **people** to flourish

Realise the full cross-sell potential





Increase resilience to residential housing transaction market cycles



Portfolio Align our portfolio to growth



Double our profit in Lettings

- Private rental sector now 60% of all moves, compared to 37% 10 years ago and headroom for growth in a fragmented market; proven acquisition model
- Focus on landlord retention 15% improvement
- £34m investment in 28 lettings-led acquisitions in 2015
- Bias towards quality and city location going forward

Become market leader in London

- We are #1 in upper and lower bands, but #2 in £350k-1m (largest segment)
- London is 21% of the England's private rental sector; our share is <5%
- 1% of mortgages written London

- Significant growth in London residential sales pipeline, up YOY by 22% as we enter 2016
- Lettings fees grew to £56m YOY with tenancies growing 3%
- 2015 acquisitions Greene & Co, John Curtis, Vanet Property Asset Management
- FS Director appointed to lead London market



Portfolio Align our portfolio to growth



Grow customer value in Financial Services

- We are the UK's largest single mortgage broker
- But not realising the full potential value of existing customers, e.g., remortgages

- Completed mortgages at Countrywide +18% versus whole of the market + 8%
- Productivity per mortgage consultant up 8% year on year, average tenure increasing

Win in major cities

- 50% of population will live in cities by 2020 (vs. 40% today). Opportunity to differentiate and segment the offer
- RPF with Hermes focussed on capacity in key cities strong record of acquisitions in Nottingham, Birmingham and Manchester in 2015 and Baltic Village, Liverpool due to complete in Q4 2016
- M&A pipeline is strong with imminent acquisitions in key city locations including Manchester



Portfolio Align our portfolio to growth



Capitalise on Land & New Homes opportunity	Countrywide Residential Development Solutions brings all land and new homes capabilities together
 Government push to drive new homes growth Single focus on developers as customers 	 Performance for Preston Bennett exceeding plan by 11% Acquisition of Lanes Land and New Homes (Jan 2016) Hub benefits: 2.5 times more likely to sell a new home then the branch actuards (successed development cold is C7)
	than the branch network. (average development sold is 67 units compared to 9 unit sold via the branches)
Become a top 5 player in Commercial	 Consultancy:Transactional income split at 70:30 underpinning recurring revenue streams
 Market continues to consolidate, LSH provides a strong base to grow from Recurring revenues and attractive synergies with residential valuable 	£5M fee income pipeline introduced to L&NH
	 4 businesses acquired bring increased regional presence (Manchester, Belfast, Dublin & Galway), enhanced service



Customers Developing our products and propositions



- Completed our largest ever customer research programme more than 3,000 customers interviewed
- Findings: What customers value
 - Local expertise and experience
 - Price achieved
 - Guidance and straightforward advice
 - Flexibility to choose the elements they value "keep my options open"
- Findings: What customers want
 - Transparency on product and price
 - Communication and clear view of where I am in the process
 - Choice of how and when I deal with you (online, phone, physical)
 - Effective joined up relationships and services



Customers, Products and Propositions What we'll deliver – multi channel capabilities



In sales:

- Trial our new proposition in 3 brands (Q2 2016)
- Combination of digital self serve, people expertise and branch showroom
- Tailored approach, transparent pricing and ease of upsell

In lettings:

- Roll out Fixflo tenant app across all brands in 2016
- Landlord portal trial Q3 2016, enhanced billing, accounting, property management and portfolio management capability on mobile, tablet and PC

Across all our businesses:

- Website redevelopment across all brands, product
- All websites mobile, tablet enabled
- Continued focus on investment in property and financial tech innovators



People Investing in our people



- Investing in our recruitment, training, leadership and talent management is core to our strategy
- + Early signs of success nearly 5% improvement in voluntary people turnover
- People engagement scores stable (with higher survey response rate) during a year of structural change
- Greater connectivity and collaboration across businesses, which is fundamental in optimising cross-sell
- + Continued to invest in our graduate schemes 80 joined in 2015
- Revised and enhanced benefit package rolled out and factored in changes to minimum wage



People - Award winning teams



Estate Agency of the Year Awards 2015 – The Times/The Sunday Times

Best National Estate Agency of the Year – Countrywide – Gold

Best New Homes Agent - Countrywide - Gold

Best Large Agency - Hamptons International - Gold

Best Training and Development – Hamptons International – Siiver

Mortgage Finance Gazette Awards 2016

Best Anti-Fraud Services- Countrywide Professional Services

British Mortgage Awards 2015

'Business Leader: Mortgage Club' – Sally Laker – Next Intelligence

The Negotiator Awards 2015

Large Lettings Agency of the Year - Countrywide - Gold

Employer of the Year – Countrywide – Gold

Property Management Company of the Year – Countrywide – Bronze

Letting Agency of the Year Awards 2015 – The Times/The Sunday Time

Best National UK Large Lettings Agency – *Countrywide* – *Gold* Best London Agency - *John D. Wood & Co. – Silver* Best Property Management Agency – *Countrywide – Silver*

Financial Reporter Awards 2015

Best Surveyor / Valuer – Countrywide Professional Services

The ESTAS Estate Agent Awards 2015

Best National Estate Agency – Countrywide – Gold Regional Awards – Countrywide - wins 17 awards

Mortgage Strategy Awards 2015

Best Network up to 300 ARs - Mortgage Intelligence - Gold



Strategy Impact of Building our Future

- Deliver £30-40m organic EBITDA growth by 2020 through...
 - improving productivity driving efficiency and acting on variation across the network
 - reducing value leakage capturing more cross-sell opportunities than envisaged at IPO
 - underpinned by investment in people, technology, data and analytics
- Add £70-100m EBITDA through M&A, with the majority in Lettings and Commercial
 - target return on investment remains c20% pre-tax after 2 years
 - spend contingent on availability and value for money (not growth at any cost)
- Double EBITDA by 2020 and re-balance the portfolio to increase resilience to transaction market cycles
- Requires investment to generate faster EBITDA growth and enhance shareholder returns; normal dividend unchanged (35-45% of clean profit after tax); potential to introduce special dividend from 2017
- Build a future with customers and our people at the heart of the business 'better to be bigger'
- Deliver sustainable long-term value creation for our investors



Summary

• 2015:

- critical year of change and restructuring
- under performance in retail sales, more resilience in London
- another strong year for financial services, valuations and commercial
- development of strategy, vision and plan for next five years

• 2016:

- fragile consumer confidence in the housing market
- focus on execution, regaining and growing share and accelerating proposition improvements including multichannels
- growth in core lettings business building on improvements in service
- driving value from early progress in financial services, valuations and commercial
- capturing greater returns from strong regional presence



Appendices

- 1. 2015 Reconciliation (old segments to new segments)
- 2. Divisional KPIs



New Segments – Full year 2015

Old Segments	2015 Old Report	Combine B2B	Split Lettings	Reallocate branches	Transfer B2B businesses	Enhanced ^{Conveyancing} Referrals	Overhead Allocation	New Values	New Segments
Total Income (£,000)									
Estate Agency	189,295	-	98,469	(30,151)	(11,167)	8,005	-	254,451	Retail BU
London and Premier	128,658	-	32,984	30,151	(13,811)	-	-	177,982	London BU
Lettings	142,099	-	(142,099)	-	-	-	-	-	
Financial Services	77,955	-	-	-	-	3,039	-	80,994	FS BU
Surveying Services	64,733	(64,733)	-	-	-	-	-	-	
Conveyancing Services	28,052	166,419	10,646	-	24,978	(11,044)	-	219,051	B2B BU
Lambert Smith Hampton	101,686	(101,686)	-	-	-	-	-	-	
Central costs	1,258	-	-	-	-	-	-	1,258	Head Office BU
Total	733,736	0	0	0	0	0	0	733,736	
			I	EBITDA (£,000))				
Estate Agency	14,068	-	26,384	(5,589)	1,929	7,401	(850)	43,343	Retail BU
London and Premier	23,821	-	7,438	5,589	(1,747)	-	(939)	34,162	London BU
Lettings	36,203	-	(36,203)	-	-	-	-	-	
Financial Services	18,469	-	-	-	-	2,838	(598)	20,709	FS BU
Surveying Services	18,120	(18,120)	-	-	-	-	-	-	
Conveyancing Services	9,671	- 31,888	2,381	-	(182)	(10,239)	(1,217)	32,302	B2B BU
Lambert Smith Hampton	13,768_	(13,768)	-	-	-	-	-	-	
Central costs	(21,143)		-	-	-	-	3,604	(17,539)	Head Office BU
Total ⁴⁰	112,977	0	0	0	0	0	0	112,977	

Retail Summary

		2013	2014	2015
Total income	£,000	231,748	265,651	254,451
EBITDA before exceptionals	£,000	37,485	58,621	43,343
Estate agency income	£,000	141,005	156,815	138,851
Lettings income	£,000	75,113	90,182	93,760
Conveyancing income	£,000	9,260	10,374	9,657
Other income	£,000	6,369	8,280	12,182
	£,000	231,748	265,651	254,451
Exchanges		49,356	55,422	50,396
Average cash fee (£)		2,705	2,678	2,640
Average house price (£)		168,024	181,285	188,388
Managed properties (average)		44,640	56,204	60,272
Branches (average)		733	781	777
Employees FTE (average)		4,352	4,791	4,635



London Summary

		2013	2014	2015
Total income	£,000	165,992	172,636	177,982
EBITDA before exceptionals	£,000	35,511	37,107	34,162
Estate agency income	£,000	112,820	111,877	109,477
Lettings income	£,000	49,389	56,077	63,265
Conveyancing income	£,000	1,425	1,595	1,532
Other income	£,000	2,357	3,087	3,708
	£,000	165,992	172,636	177,982
Exchanges		12,954	13,338	11,819
Average cash fee (£)		8,330	8,145	8,535
Average house price (£)		588,879	599,802	633,039
Managed properties (average)		10,640	12,600	14,588
Branches (average)		243	259	272
Employees FTE (average)		1,762	1,886	1,951



Financial Services Summary

		2013	2014	2015
Total income	£,000	67,656	76,439	80,994
EBITDA before exceptionals	£,000	14,209	18,586	20,709
Financial services income	£,000	63,820	72,470	76,937
Conveyancing income	£,000	3,836	3,969	4,057
	£,000	67,656	76,439	80,994
Total mortgages arranged (core)*		34,261	37,216	37,084
Gross mortgage value (core)*		£4.2bn	£4.8bn	£5.1bn
Total mortgages arranged (non-core)		26,379	33,313	38,855
Gross mortgage value (non-core)		£4.1bn	£5.5bn	£7.1bn
Total mortgages arranged (total)		60,640	70,529	75,939
Gross mortgage value (total)		£8.3bn	£10.3bn	£12.2bn
Life policies sold		23,011	27,337	25,388
GI policies sold		32,596	35,398	31,371
Employees FTE (average)		904	998	968



Business to Business Summary

		2013	2014	2015
Total income	£,000	116,563	182,315	219,051
EBITDA before exceptionals	£,000	13,380	21,363	32,302
Surveying & Valuation income	£,000	54,742	59,241	66,295
Conveyancing income	£,000	29,902	33,161	32,206
Estate & Asset Management income	£,000	16,649	15,033	12,691
CWRDS* income	£,000	18,576	23,023	27,736
Commercial income	£,000	16,582	72,797	101,686
Other income	£,000	1,414	2,027	1,726
Total Gross income from B2B clients	£,000	137,865	205,282	242,340
Income paid across to other BUs	£,000	-21,302	-22,968	-23,289
B2B total income	£,000	116,563	182,315	219,051
Surveys & Valuations (no change)		330,121	332,290	357,033
Conveyances (excluding third party) completed		33,285	36,441	34,851
Exchanges CWRDS* customers		4,172	4,690	5,187
Corporate properties under management		35,656	34,164	32,049
Employees FTE (average)		1,627	2,452	2,690

Countrywide

44 * Countrywide Residential Development Solutions (formerly CW Land & New Homes and Hamptons RDI)